

CASE NAME: CIRCUIT CITY STORES, INC., ET AL.

ACCRUAL BASIS

CASE NUMBER: 08-35653

JUDGE: KEVIN R. HUENNEKENS

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF VIRGINIA

RICHMOND DIVISION

MONTHLY OPERATING REPORT

MONTH ENDING: SEPTEMBER 1, 2009 TO SEPTEMBER 30, 2009

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

/s/ MICHELLE O. MOSIER
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

VICE PRESIDENT AND CONTROLLER
TITLE

MICHELLE O. MOSIER
PRINTED NAME OF RESPONSIBLE PARTY

NOVEMBER 13, 2009
DATE

PREPARER:

/s/ ANN P. PIETRANTONI
ORIGINAL SIGNATURE OF PREPARER

DIRECTOR, FINANCIAL REPORTING
TITLE

ANN P. PIETRANTONI
PRINTED NAME OF PREPARER

NOVEMBER 13, 2009
DATE

CASE NAME: CIRCUIT CITY STORES, INC., ET AL.

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ACCRUAL BASIS-1

BALANCE SHEET

(amounts in thousands)

	9/30/2009
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	289,452
Restricted cash	14,677
Short-term investments	1,023
Accounts receivable, net	451,375
Income tax receivable	75,172
Prepaid expenses and other current assets	6,490
Intercompany receivables and investments in subsidiaries	85,035
TOTAL CURRENT ASSETS	923,224
Property and equipment	21,778
Accumulated depreciation	(7,766)
Net property and equipment	14,012
Other assets	12,642
TOTAL ASSETS	949,878
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Merchandise payable	207,728
Expenses payable	19,995
Accrued expenses and other current liabilities	32,056
Intercompany payables	607
TOTAL CURRENT LIABILITIES	260,386
Deferred income taxes	7,084
LIABILITIES NOT SUBJECT TO COMPROMISE	267,470
LIABILITIES SUBJECT TO COMPROMISE	1,427,119
TOTAL LIABILITIES	1,694,589
STOCKHOLDERS' EQUITY	
Common stock	435,612
Additional paid-in capital	304,915
Retained deficit	(1,457,579)
Accumulated other comprehensive loss	(27,659)
TOTAL STOCKHOLDERS' EQUITY	(744,711)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	949,878

CASE NAME: CIRCUIT CITY STORES, INC., ET AL.
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ACCRUAL BASIS-2

INCOME STATEMENT

(Amounts in thousands)

9/1/2009 - 9/30/2009

Net sales	-
Cost of sales, buying and warehousing	-
Gross profit	-
Selling, general and administrative expenses (net gain) (1)	(261)
Operating gain	261
Interest income	-
Interest expense	-
Loss before reorganization items, GAAP reversals and income taxes	261
Net loss from reorganization items	(3,008)
Net gain from GAAP reversals	-
Income tax expense (2)	(4)
Net loss	<u><u>(2,751)</u></u>

(1) During September 2009, gains, primarily from sales of owned real estate, more than offset selling, general and administrative expenses, resulting in a net gain.

(2) During September 2009, the company did not record a full tax provision.

CASE NAME: CIRCUIT CITY STORES, INC., ET AL.	ACCRUAL BASIS-2
CASE NUMBER: 08-35653	

INCOME STATEMENT

(Amounts in thousands)

11/10/2008 - 9/30/2009

Net sales	3,200,966
Cost of sales, buying and warehousing	2,825,511
Gross profit	375,455
Selling, general and administrative expenses	1,064,779
Asset impairment charges (1)	756,785
Operating loss	(1,446,109)
Interest income	90
Interest expense	24,695
Loss before reorganization items, GAAP reversals and income taxes	(1,470,714)
Net loss from reorganization items	(623,005)
Net gain from GAAP reversals (2)	282,255
Income tax benefit	894
Net loss	(1,810,570)

(1) The company recorded non-cash impairment charges of \$756.8 million during the period between 11/10/2008 and 9/30/2009. The charges were primarily related to long-lived assets at the company's stores and the company's investment in its Canadian subsidiary.

(2) During the period between 1/1/09 and 9/30/09, the company reversed items that had been recorded solely for purposes of complying with generally accepted accounting principles. Items reversed include accrued straight-line rent, certain liabilities subject to compromise and other reserves established under GAAP. The net impact of these GAAP reversals was a non-cash gain of \$282.3 million.

CASE NAME: CIRCUIT CITY STORES, INC., ET AL.	ACCRUAL BASIS-3
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CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

	<u>9/1/2009 - 9/30/2009</u>
Operating Activities:	
Net loss	\$ (2,751)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Net loss from reorganization items	3,008
Gain on dispositions of property & equipment	(1,806)
Changes in operating assets and liabilities:	
Restricted cash and cash held by BOA	249,338
Accounts receivable, net	320
Prepaid expenses & other current assets	(37)
Other assets	(1,106)
Merchandise payable	705
Expenses payable	4,609
Accrued expenses, other current liabilities and income taxes	(260)
Net cash provided by operating activities before reorganization items	252,020
Cash effect of reorganization items (professional fees)	(2,645)
Net cash provided by operating activities	<u>249,375</u>
Investing Activities:	
Proceeds from sales of property & equipment	4,732
Net cash provided by investing activities	<u>4,732</u>
Financing Activities:	
Change in overdraft balances	(162)
Net cash used in financing activities	<u>(162)</u>
Increase in cash and cash equivalents	253,945
Cash and cash equivalents at beginning of period	35,507
Cash and cash equivalents at end of period	<u>\$ 289,452</u>

CASE NAME: CIRCUIT CITY STORES, INC., ET AL.	ACCRUAL BASIS-3
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CASH RECEIPTS AND DISBURSEMENTS

(amounts in thousands)

	11/10/2008 - 9/30/2009
Operating Activities:	
Net loss	(1,810,570)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Net loss from reorganization items	623,005
Net gain from GAAP reversals	(282,255)
Depreciation expense	44,297
Amortization expense	4
Asset impairment charges	756,785
Stock-based compensation benefit	(8,447)
Loss on dispositions of property & equipment	452,982
Provision for deferred income taxes	3,383
Other	(9,626)
Changes in operating assets and liabilities:	
Restricted cash and cash held by BOA	(14,677)
Accounts receivable, net	(131,805)
Merchandise inventory	1,605,958
Prepaid expenses & other current assets	86,985
Other assets	17,502
Merchandise payable	(2,534)
Expenses payable	(52,062)
Accrued expenses, other current liabilities and income taxes	(91,871)
Intercompany receivables	6,688
Other long-term liabilities	(231,876)
Net cash provided by operating activities before reorganization items	961,866
Cash effect of reorganization items (professional fees)	(27,175)
Net cash provided by operating activities	934,691
Investing Activities:	
Purchases of property and equipment	(748)
Dividend received from captive insurance subsidiary	8,952
Proceeds from sales of property & equipment	61,892
Net cash provided by investing activities	70,096
Financing Activities:	
Proceeds from DIP borrowings	2,961,203
Principal payments on DIP borrowings	(3,691,794)
Principal payments on other short-term borrowings	(198)
Proceeds from long-term debt	401
Principal payments on long-term debt	(1,983)
Change in overdraft balances	(4,296)
Net cash used in financing activities before reorganization items	(736,667)
Cash effect of reorganization items (debt issuance costs)	(26,682)
Net cash used in financing activities	(763,349)
Increase in cash and cash equivalents	241,438
Cash and cash equivalents at beginning of period	48,014
Cash and cash equivalents at end of period	\$ 289,452

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ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		7/31/2009	8/31/2009	9/30/2009
1. 0-30		336,986	2,028	462,464
2. 31-60		-	14,108	-
3. 61-90		-	-	5,945
4. 91+		455,111,697	452,808,829	452,022,580
5. TOTAL ACCOUNTS RECEIVABLE		\$ 455,448,683	\$ 452,824,965	\$ 452,490,989
6. AMOUNT CONSIDERED UNCOLLECTIBLE		1,115,696	1,115,696	1,115,696
7. ACCOUNTS RECEIVABLE (NET)		\$ 454,332,987	\$ 451,709,269	\$ 451,375,293

AGING OF POSTPETITION TAXES AND PAYABLES					MONTH: 9/1/2009 - 9/30/2009
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$ 14,209	\$ -	\$ -	\$ -	\$ 14,209
2. STATE	-	-	-	237,863	237,863
3. LOCAL	7,468,228	761,956	8,096	2,017,835	10,256,115
4. OTHER (SEE APPENDIX A)	425,816	-	14,403	15,771,634	16,211,853
5. TOTAL TAXES PAYABLE	\$ 7,908,253	\$ 761,956	\$ 22,499	\$ 18,027,332	\$ 26,720,040
6. MERCHANDISE PAYABLE	\$ -	\$ -	\$ -	\$ 207,727,672	\$ 207,727,672
EXPENSES PAYABLE	\$ 1,162,384	\$ 329,924	\$ 149,051	\$ 18,354,083	\$ 19,995,442

STATUS OF POSTPETITION TAXES					MONTH: 9/1/2009 - 9/30/2009
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
FEDERAL					
1. WITHHOLDING**	\$ 33,286	\$ (23,874)	\$ -	\$ 9,412	
2. FICA-EMPLOYEE**	8,975	(6,576)	-	2,399	
3. FICA-EMPLOYER**	8,974	(6,576)	-	2,398	
4. UNEMPLOYMENT	-			-	
5. INCOME	-			-	
6. OTHER (ATTACH LIST)	-			-	
7. TOTAL FEDERAL TAXES	\$ 51,235	\$ (37,026)	\$ -	\$ 14,209	
STATE AND LOCAL & OTHER					
8. WITHHOLDING	\$ -			\$ -	
9. SALES	236,644	1,219	-	237,863	
10. EXCISE	-			-	
11. UNEMPLOYMENT	-			-	
12. REAL PROPERTY	228,657	5,334	(212,880)	21,111	
13. PERSONAL PROPERTY	10,235,004	-	-	10,235,004	
14. OTHER (SEE APPENDIX A)	16,225,117	-	(13,264)	16,211,853	
15. TOTAL STATE & LOCAL & OTHER	\$ 26,925,422	\$ 6,553	\$ (226,144)	\$ 26,705,831	
16. TOTAL TAXES	\$ 26,976,657	\$ (30,473)	\$ (226,144)	\$ 26,720,040	

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

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APPENDIX A

OTHER TAXES PAYABLE

	<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91+ days</u>	<u>Total</u>
State & Local Income Taxes	\$ 425,816	\$ -	\$ -	\$ -	425,816
Business Licenses and Gross Receipts Taxes	-	-	-	870,272	870,272
Real Estate Taxes (passed through by landlord)	-	-	14,403	14,901,362	14,915,765
Other Taxes Payable	<u>\$ 425,816</u>	<u>\$ -</u>	<u>\$ 14,403</u>	<u>\$ 15,771,634</u>	<u>\$16,211,853</u>

STATUS OF POSTPETITION TAXES - OTHER TAXES

	<u>Beginning</u> <u>Tax Liability</u>	<u>Amount</u> <u>Withheld</u>	<u>Amount Paid</u>	<u>Ending Tax</u> <u>Liability</u>
<u>Other Taxes</u>				
State & Local Income Taxes (1) (2)	\$ 425,816	\$ -	\$ -	\$ 425,816
Business Licenses and Gross Receipts Taxes	870,272	-	-	\$ 870,272
Real Estate Taxes (passed through by landlord)	14,929,029	-	(13,264)	\$ 14,915,765
Total Other Taxes	<u>\$16,225,117</u>	<u>\$ -</u>	<u>\$ (13,264)</u>	<u>\$ 16,211,853</u>

(1) Income/Franchise taxes related to the fiscal year ending 2/28/09 are considered "postpetition" taxes because the ending date of the period on which the returns are based is postpetition.

(2) During March - September 2009, the company did not record a full tax provision. Therefore, the ending tax liability does not include an additional accrual for that period of time.

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ACCRUAL BASIS-5

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The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: 9/1/2009 - 9/30/2009

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
A. BANK:	see APPENDIX B			TOTAL
B. ACCOUNT NUMBER:				
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				
2. ADD: TOTAL DEPOSITS NOT CREDITED				
3. SUBTRACT: OUTSTANDING CHECKS				
4. OTHER RECONCILING ITEMS				
5. MONTH END BALANCE PER BOOKS				\$ 304,129,426
6. NUMBER OF LAST CHECK WRITTEN				

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

CASH	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 304,129,426

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APPENDIX B

G/L Acct #	Account Name	Bank Acct #	Debtor	Description	Bank Balance	G/L Balance	As of Date	Reconciled as of 9/30/09
101003	Wachovia Circuit City Master	2055275431509	Circuit City Stores, Inc.	Funding Account	-	25,718,664	9/30/2009	Y
101003	Wachovia Circuit City Main Disbursement	2000045277427	Circuit City Stores, Inc.	Funding Account	25,718,664	-	9/30/2009	Y
101004	BOA Main Account	4426954215	Circuit City Stores, Inc.	Funding Account	261,743,594	261,743,594	9/30/2009	Y
101063	Wachovia Sublease Lockbox	2055303192189	Circuit City Stores, Inc.	Depository Account	-	-	9/30/2009	Y
101678	Escrow Deposit	4426874887	Circuit City Stores, Inc.	Escrow Account	3,589,268	3,589,268	9/30/2009	Y
101679	Escrow Deposit	4426876681	Circuit City Stores, Inc.	Escrow Account	9,536,903	9,536,903	9/30/2009	Y
101092	BOA Data Mailer (Payroll)	7313200844	Circuit City West Coast	Payroll Account	5,377	(59,598)	9/30/2009	Y
101100	Suntrust Concentration	88001883706	Circuit City Stores, Inc.	Funding Account	4,932	-	9/30/2009	Y
101117	Chase Store Depository	744447244	Circuit City Stores, Inc.	Depository Account	1,116	1,116	9/30/2009	Y
101150	Wachovia Warranty Sales Deposits	2055303237073	Circuit City Stores, Inc.	Depository Account	-	1,805	9/30/2009	Y
101210	Wachovia Trading Circuit	2000022979133	Circuit City Stores, Inc.	Depository Account	558,458	558,458	9/30/2009	Y
101217	Wachovia Payroll	2079900613908	XS Stuff, LLC	Payroll Account	24,527	32,974	9/30/2009	Y
101219	Wachovia Corporate Depository	2055305959993	Circuit City Stores, Inc.	Depository Account	-	-	9/30/2009	Y
101249	Wachovia Empire Blue Cross	2079920015191	Circuit City Stores, Inc.	Depository Account	-	-	9/30/2009	Y
101255	Wachovia Service Payables	2079900056044	Circuit City Stores, Inc.	Disbursement Account	-	(288,937)	9/30/2009	Y
101307	Chase CC Empire Blue Cross	475600266	Circuit City Stores, Inc.	Depository Account	1,031,426	633,892	9/30/2009	Y
101332	Suntrust EP Disbursement	8800606660	Circuit City Stores, Inc.	Disbursement Account	-	-	9/30/2009	Y
101453	Solutran Citizens State Bank Parago Funding Acct	737934	Circuit City Stores, Inc.	Funding Account	50,033	50,033	9/30/2009	Y
101530	Wachovia Ventoux International	2000022979528	Ventoux International	Depository Account	1,050,000	1,050,000	9/30/2009	Y
101580	Wachovia Aviation	2000035264767	Circuit City Stores, Inc.	Depository Account	10,000	10,000	9/30/2009	Y
101677	BA Liquidation Acct	4426864923	Circuit City Stores, Inc.	Escrow Account	1,551,254	1,551,254	9/30/2009	Y
					<u>\$ 304,875,552</u>	<u>\$ 304,129,426</u>		

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ACCRUAL BASIS-6

MONTH: 9/1/2009 - 9/30/2009

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS (1)			

PROFESSIONALS						
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *	
1. FTI Consulting, Inc.			\$ 353,717	\$ 6,198,501	\$ 1,195,135	
2. Kirkland & Ellis LLP			1,406	278,469	7,963	
3. KPMG LLP			33,895	917,222	9,336	
4. Kurtzman Carson Consultants LLC			275,318	4,820,523	717,462	
5. McGuire Woods, LLP			433,398	2,554,267	466,037	
6. Skadden, Arps, Slate, Meagher & Flom, LLP			1,058,713	7,343,494	876,030	
7. Ernst & Young LLP			142,710	1,669,255	125,967	
8. Tavenner & Beran, PLC			12,211	195,176	3,934	
9. Jefferies & Company, Inc.			-	538,330	119,923	
10. Pachulski, Stang, Ziehl & Jones			200,853	2,194,511	160,973	
11. Rothschild Inc.			-	3,017,829	-	
12. Protiviti			132,940	1,704,132	67,853	
13. DJM Realty Services, LLC			-	704,261	36,877	
14. Lucy Thomson			\$ -	55,276	-	
TOTAL PAYMENTS TO PROFESSIONALS		\$ -	\$ 2,645,161	\$ 32,191,246	\$ 3,787,490	

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. Leases (2)	\$ 6,500	\$ 23,805	\$ 10,994,544
2.			
3.			
4.			
5.			
6. TOTAL	\$ 6,500	\$ 23,805	\$ 10,994,544

- (1) Other than salary, fees and benefit payments made in the ordinary course of business and reimbursements for business expenses, no payments have been made to insiders during the reporting period.
- (2) The leases line item is made up of several landlords. As such, only the total amount is reported in this schedule. The unpaid balance remaining at 9/30/2009 primarily includes some rent payments due for the period from 11/10/2008 - 11/30/2008.

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ACCRUAL BASIS-7

MONTH: 9/1/2009 - 9/30/2009

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?	X	
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?	X	
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?	X	
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?	X	
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?	X	
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	X	
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

- The company sold assets outside of the normal course of business as part of its liquidation proceedings.
- Intercompany transactions in the ordinary course of business have given rise to postpetition receivables.
- Payments on prepetition liabilities have been made pursuant to motions granted by the Bankruptcy Court.
- Certain real estate taxes are passed through to the debtors from the landlords. A portion of these real estate taxes is past due.
- Certain business license taxes that covered both prepetition and postpetition periods were due on or before 9/30/2009 but were not paid.
- The rent for some store leases owed for the period 11/10/2008 through 11/30/2008 is past due; these payments are being held pursuant to a Court order. In addition, due to the liquidation proceedings, the debtors are currently reconciling amounts due to post-petition creditors, which has slowed creditor payments.
- Pursuant to motions granted by the Bankruptcy Court, the debtors have paid prepetition taxes.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Workers' Compensation & Employer's Liability	ACE American Insurance Company	4/1/09 - 4/1/10	\$4,396 paid at inception & \$4,089 due on 10/1/09
General Liability and Non-owned Auto Liability	First Specialty Insurance Company	4/1/09 - 4/1/10	\$85,000 paid at inception
Excess Liability	RSUI Indemnity Company	4/1/09 - 4/1/10	\$55,000 paid at inception
Foreign Liability Package	National Union Fire Ins. Co.	1/1/09 - 1/1/10	\$6,156 paid at inception
Fiduciary	Chubb Group	12/1/08 - 12/1/09	\$145,000 paid at inception
Fiduciary Excess	Arch	12/1/08 - 12/1/09	\$121,800 paid at inception
Crime	Chubb Group	12/1/08 - 12/1/09	\$75,000 paid at inception
Kidnap and Ransom	Chubb Group	12/1/08 - 12/1/09	\$5,000 paid at inception
D&O (Traditional) - Primary	AIG	12/1/08 - 12/1/09	\$185,000 paid at inception
D&O (Traditional) - Layer 1	ACE	12/1/08 - 12/1/09	\$166,500 paid at inception
D&O (Traditional) - Layer 2	XL	12/1/08 - 12/1/09	\$150,000 paid at inception
D&O (Traditional) - Layer 3	Valiant	12/1/08 - 12/1/09	\$135,000 paid at inception
D&O (Traditional) - Layer 4	AWAC	12/1/08 - 12/1/09	\$115,000 paid at inception
Runoff D&O - Primary	CNA	12/1/08 - 12/1/14	\$1,177,500 paid at inception
Runoff D&O - Layer 1	Chubb Group	12/1/08 - 12/1/14	\$487,500 paid at inception
Runoff D&O - Layer 2 (Year 1)	Great American	12/1/08 - 12/1/14	\$240,000 paid at inception
Runoff D&O - Layer 2 (Years 2 - 6)	Axis	12/1/08 - 12/1/14	\$240,000 paid at inception
Runoff D&O - Layer 3	Travelers	12/1/08 - 12/1/14	\$822,000 paid at inception
Runoff D&O - Layer 4	Axis	12/1/08 - 12/1/14	\$698,700 paid at inception
Runoff D&O - Layer 5	RSUI	12/1/08 - 12/1/14	\$589,050 paid at inception
Runoff D&O - Layer 6	Arch	12/1/08 - 12/1/14	\$540,000 paid at inception
Runoff D&O - Layer 7 (Side A DIC)	XL	12/1/08 - 12/1/14	\$1,275,000 paid at inception
Runoff D&O - Layer 8	Chubb Group	12/1/08 - 12/1/14	\$375,000 paid at inception
Property - Boiler & Machinery	Continental Casualty Company	8/15/09 - 11/15/09	\$680 paid at inception
Property - All Risk	Columbia Casualty Company	8/15/09 - 8/15/10	\$77,290 paid at inception